

PUBLIC DISCLOSURE

May 21, 2007

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**BONNEVILLE BANK
22653**

**1675 North 200 West
Provo, Utah 84604**

**Federal Deposit Insurance Corporation
25 Jessie Street at Ecker Square, Suite 2300
San Francisco, California 94105**

NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Bonneville Bank** prepared by the **Federal Deposit Insurance Corporation**, the institution's supervisory agency, as of **May 21, 2007**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 345.*

INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

Bonneville Bank's CRA performance depicts a satisfactory practice of providing for the credit needs of its assessment areas in a manner consistent with its product lines, resources, and capabilities. The following narrative supports this rating:

- An analysis of loans reveals an excellent penetration of lending among businesses with gross annual revenues of \$1 million or less.
- The geographic distribution of loans reflects a reasonable dispersion throughout the assessment area, given the bank's lending products, competition, and locations. No unexplained lending gaps were identified.
- A substantial majority of the bank's loans are in the institution's assessment area.
- The bank's loan-to-deposit ratio is reasonable, given the institution's size, financial condition, and assessment area credit needs.
- The bank has not received any complaints relating to its CRA performance.

A review of the bank's community development activities was performed. While the bank's performance is noteworthy through assistance to low-and moderate-income individuals and small businesses, the volume of this assistance and donations is not significant enough to raise the bank's rating to "outstanding."

In addition, there are no substantive violations found with regard to the provisions of antidiscrimination legislation, including the Equal Credit Opportunity and Fair Housing Acts.

DESCRIPTION OF INSTITUTION

Bonneville Bank (BB) is a state chartered nonmember bank operating a single office in Provo, Utah, that is located at 1675 North Freedom Boulevard, a moderate-income census tract. The bank was established May 15, 1978, and is privately owned by local community members and operated by a staff that has over 73 years of bank management experience. Customer service is a high priority of the bank, and staff members make themselves available evenings and weekends to assist in meeting customer service and credit needs.

The bank's primary business focus is commercial purpose loans averaging between \$190 thousand and \$200 thousand. These commercial loans are primarily originated to start-up businesses and professionals (i.e., dentists, doctors, and lawyers). Bank management is also making a concerted effort in expanding its consumer loan portfolio by doing more formal advertising of consumer loan products. Loan products offered by the bank include commercial and personal lines of credit, small business administration loans, automobile loans, consumer purpose loans, and consumer and commercial construction loans.

BB offers numerous personal and business deposit accounts, which includes checking, money market savings, savings, certificates of deposit, and individual retirement accounts. Additionally, the bank offers check guarantee cards (debit cards, where the account is attached to an overdraft line of credit) to credit worthy applicants, automated teller machine (ATM) cards, telephone banking, and internet banking services.

Table 1- Loan Portfolio		
Type of Loan	Amount (000's)	Percentage
Construction and Land Development, and other land loans	1,170	9.86
Revolving open-end loans secured by 1-4 family residential dwellings,	27	0.23
Closed-end loans secured by 1-4 family residential properties:		
Secured by 1 st Liens	407	3.43
Secured by Junior Liens	515	4.34
Secured by non-farm and non-residential properties	1,076	9.07
Total Real Estate Secured	3,195	26.93
Commercial/Industrial loans	6,508	54.84
Consumer loans (single PMT/Installment /Student Loans)	2,097	17.67
All Other loans	68	0.56
TOTAL LOANS	11,868	100

Source: Report of Income and Condition as of March 31, 2007 / Dollar amounts in thousands (000's)

Table 1, reflects the composition of the bank's loan portfolio as of March 31, 2007. As presented, the loan portfolio is predominately commercial purpose (secured by non-farm and non-residential properties and commercial/industrial loans) which amounts to 64 percent of the bank's lending portfolio, followed by consumer loans totaling 18 percent, then by construction land/development loans totaling 10 percent, and finally by loans secured by residential real estate loans at 8 percent. The table shows loans secured by 1-4 family residential real estate by lien position and type of loan (open-end); however, these loans are not consumer purpose loans

instead these loans are securing commercial purpose loans so commercial purpose loans are 72 percent of the bank's loan portfolio. Additionally, the bank does not offer consumer 1-4 family residential real estate, credit cards, or home equity lines of credit.

DESCRIPTION OF THE *PROVO – OREM MSA*

BB has designated its assessment area as the Provo-Orem Metropolitan Statistical Area (MSA) 39340. The MSA is made up of two contiguous counties, Utah and Juab. The Provo-Orem MSA is nestled at the base of the Wasatch Range of the Rocky Mountains just 40 minutes south of Salt Lake City. Most of the MSA is made up of Utah County, which is known regionally as Utah Valley.

Utah County

At the center of this recreational region are the sister communities of Provo and Orem, which together form the second-largest metropolitan area of Utah. The combined communities is regularly cited in surveys as among the best places to live in America, with healthy, highly educated work force, relatively low taxes, little poverty and crime. Major employers in the county include the Wal-Mart Mart District Office with (4,500 full-time employees); the Alpine School District (4,280); Brigham Young University (4,092); Utah Valley Regional Medical Center (2,700); Provo School District (1,700); Nestle USA-Food Group Inc.(1,600); Clyde Companies Inc.(1,500); Nebo School District (1,318); Nu-Skin Enterprises(1,300); and the Modus Media International with (1,200) full time employees.

Utah County is the world headquarters of computer software giants, state-of-the-art university research facilities, sprawling fruit orchards, and peaceful majestic mountains. These communities continue to receive national recognition as an ideal place to live and work because of their high standards in education, health care, and rich cultural and recreational opportunities. Rich agriculture and livestock traditions still thrive within the rural communities surrounding Provo and Orem. Sophisticated irrigation systems still allow for fertile green pastures to flourish in an otherwise dry terrain. The orchards of Utah County produce more than 76 percent of the fruit grown in the state, including some of the world's finest peaches and pie cherries.

Some of Utah County's recent on going accomplishments include the approval for spending \$52,000 towards a \$104 thousand feasibility study on a convention center in the county seat. The Provo city counsel, acting as the Provo Redevelopment Agency, is also considering building a convention center The bankrupt Geneva Steel sold its core steel-making equipment to an Oriental firm for \$40 million; together with a projected \$90 million for the steel maker's water rights, which is projected to bring water to thousands of homes, businesses and light industrial facilities that are envisioned for a 1,700-acre vineyard site. Chicago Bridge & Iron (winner of a contract to manufacture 150 massive steel support towers for wind turbines), will boost it's workforce at its Provo plant from 40 to more than 100. Moreover, Utah County is projecting to be home to more than 1 million people by 2040, a fact that has city and county officials brainstorming over how to best control the populations' growth patterns.

Juab County

Juab County is made up of two middle-income census tracts in mid-western Utah. The county has a weighted average median family income of \$50,010. There are 659 non-farm businesses in the county and 37 farms.

According to the *Juab County Information for Students*, Juab County is often called the “Key” county and is located in west-central Utah. At its narrowest point, the county is 125 miles long and 25 miles wide and covers over 3,400 square miles. The largest city in the county is Nephi, the county seat, with an estimated population of 4 thousand. Other communities include (ranked by size) Mona, Eureka, Levan, Callao, Trout Creek, and Fish Springs. The federal government controls over 1.5 million acres of land in Juab County. Private ownership controls 382 thousand acres, the State of Utah controls 178 thousand, and the remaining 53 thousand acres belongs to incorporated cities, the Goshute Reservation, and to roads and railroad rights-of-way.

According to the 2000 Census Data, Juab County’s largest business is in the services industry at 30 percent, followed by non-classifiable establishments at 15 percent, then by retail trade at 13 percent, and then construction at 12 percent. The remaining industries by rank order are: finance, insurance, & real estate; agriculture, forestry, & fishing; transportation, communication; public administration; wholesale trade; manufacturing; and mining. The unemployment rate is 1.53 percent out of a total population of just over 8 thousand.

The following table presents the most current demographic information for the Provo – Orem MSA:

TABLE 2 - DEMOGRAPHIC INFORMATION FOR ASSESSMENT AREA

Demographic Characteristics	#	Low % of #	Mod % of #	Mid % of #	Upper % of #	N/A * % of #
Geographies (Census Tracts)	87	8	14	47	28	3
Population by Geography *	376,774	9	15	48	28	Nominal
Owner-Occupied Housing by Geography*	68,756	1	11	55	33	0
Business by Geography – 2006	36,427	4	14	50	33	Nominal
Family Distribution by Income Level	83,646	18	19	25	38	0
Distribution of Low and Moderate Income Families throughout AA Geographies*	31,195	13	24	48	14	0
HUD Adjusted Median Family Income for 2006	50,772	Median Housing Value		153,007		
Households (HH) Below Poverty Level	11.00%	Unemployment Rate		2.24%		

Source: CRA Wiz-2000 US Census Demographic Data; 2000 US Census

Review of the bank’s assessment area revealed that the low-income census tracts are located at the Brigham Young University and that the moderate-income tracts are student housing locations.

Community Contacts

A review of two community contacts for this assessment area showed a strong ongoing need for affordable housing and small business assistance. One of the contacts stated that grants, contributions, joint loans, and donations for various purposes are opportunities for financial institutions. Additionally, this contact stated that providing services to small businesses would be helpful, such as education and bookkeeping services. One of the contacts stated that affordable housing financing needs are being met by the banks. This contact could not identify any gaps in credit that are not being covered.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

To assess the institution's performance with respect to the Community Reinvestment Act (CRA), the four following performance areas are analyzed:

- **The bank's quarterly average net loan to deposit (ANLTD) ratio**
- **Lending within its assessment area**
- **Lending to small businesses of different sizes and to borrowers of different incomes**
- **Geographic distribution of loans**

The bank's lending performance reveals that it is responsive to identified credit needs existing within the assessment area. This was determined by evaluating the bank's performance under the above noted criteria. Of these criteria, the most weight was placed on the volume of lending to businesses with gross annual revenue of \$1 million or less and to a lesser extent the geographic distributions of loans in low- and moderate-income areas.

AVERAGE-NET-LOAN-TO-DEPOSIT RATIO

BB's average net loan-to-deposit (ANLTD) ratio is generally reasonable given the bank's size, competition, deposit make-up, and assessment area credit needs. The ANLTD ratio for the past 20 quarters is 53 percent, which is less than comparable banks in the area. This ratio reveals the bank's commitment to lend and measures the extent to which the bank utilizes its deposit resources to extend credit so an analysis of the make-up of the deposit structure was performed.

The bank's deposit resources and management's comments regarding the bank's ANLTD ratio were analyzed. Bank management stated that between the high level of demand deposits and the relatively large 1031 capital gain deposits the bank's stable deposits for lending are lower than peer group levels. Examiners reviewed the Uniform Bank Performance Report for year-end comparison data (the bank and Peer14 group) for 2006, 2005, 2004, 2003, and 2002. The review revealed that the bank's level of interest bearing funds was at least 50 percent less than peer bank levels. This lower level of interest bearing accounts is a reflection of the bank's high level of

demand deposits, which according to management are volatile in nature and enter and leave the bank, relatively quickly, which inhibits management's ability to lend, resulting in an ANLTD that is lower than comparative banks.

The bank operates in a strong banking market. As of the June 30, 2006, FDIC Summary of Deposits market share report, BB ranked 12th out of the 16 banks in Juab and Utah Counties for a deposit market share of 0.86 percent. According to the Summary of Deposits report, the 16 banks operate 85 offices in Juab and Utah Counties. Comparing BB's performance against four other institutions operating in the same market reveals that BB's ANLTD ratio performance is less than the four other banks. These banks have reported ANLTD ratios ranging from 71 percent to 89 percent for the past 20 quarter ends.

CRITERIA FOR REMAINING PERFORMANCE FACTORS

BB's performance over the following remaining criteria was determined from an analysis of small business data (loans originated in amounts of \$1 million or less) for 2006 and year-to-date (YTD) 2007. This data was chosen because commercial purpose lending is the bank's primary credit product at approximately 72 percent of the bank's lending portfolio. No other products were chosen because of the limited volume of lending in these areas and because this type of lending is normally done on an accommodation basis for commercial customers. A construction/land development account for 10 percent of the portfolio and 18 percent is consumer purpose lending. The lending data was analyzed with respect to:

- **Lending Within Its Assessment Area**
- **Lending to Small Businesses of Different Sizes and Borrowers of Different Incomes**
- **Geographic Distribution of Loans**

Small Business: Commercial real estate, commercial purpose loans secured by 1-4 family residential properties, and commercial/industrial loans originated in amounts of \$1 million or less were reviewed (the bank does not originate loans in amounts over \$1 million in part because of its low legal lending limits.) The loan data for 2006 and YTD 2007 was collected and analyzed by examiners during this evaluation. The bank originated 29 commercial purpose loans in 2006 that totaled \$3.2 million and originated 21 loans totaling \$1.6 million from January 1, 2007, through April 24, 2007.

HMDA: The bank is not subject to HMDA data collection or reporting.

Other Loan Products: The bank has not originated any agriculture purpose or multi-family related loans. Construction/land development and consumer loans are not included in the CRA lending analysis because of the limited volume of lending in these loan types (28 percent in total).

Comparative Lending Data:

In the analyses of the borrowers' profile and geographic distribution of loans, Dun & Bradstreet (D&B) Business Data, as of June 30, 2006, is shown for comparative purposes. The D&B data

is based on the geographic location, using 2000 U.S. Census boundaries, of the total number of businesses within the bank's assessment area and the reported annual revenues of those businesses. There were over 36 thousand businesses and 828 farms within the bank's assessment area as of June 30, 2006, D&B data. Of these businesses the majority by number are located in middle-income census tracts.

Aggregate small business lending data for 2005 is also presented for comparison purposes to show the level of lending being performed in the assessment area. This data is based on the geographic location, also using 2000 U.S. Census boundaries, of the total number of small business originations and purchases by all reporting lenders in the bank's assessment area and the gross annual revenue of the borrowing business entities. In 2005, there were 44 institutions that reported origination and purchases for a total of 10 thousand small business loans in the Provo-Orem MSA. While BB is a small bank and is not subject to CRA's large bank reporting requirements, this data was used for comparison purposes because many of BB's major competitors are large reporting institutions.

Borrower Profile

The distribution of borrowers reflects an exceptional penetration among businesses of different sizes and individuals of different income levels.

Small Business Loans

BB's volume of small business loans to businesses with gross annual revenues of \$1 million or less illustrates the bank's exceptional record of lending to small businesses. Table 3 below provides the distribution of the bank's small business loans, by number of loans, among businesses with differing revenues for 2006 and 2007. The revenue distribution of the total number of businesses in the assessment area and the aggregate lending distribution for 2005 is also shown for comparison purposes.

Table 3 Distribution of Small Business Gross Annual Revenues								
Revenue Size (000s)	2006				YTD 2007			
	Bank Loans*		Aggregate Lending 2005	Businesses ***	Bank Loans*		Aggregate Lending **	Businesses ***
	#	%	% of #	% of #	#	%	% of #	% of #
≤ \$1,000	27	96	52	64	18	90	Not Available	Not Available
> \$1,000	1	4	48	3	2	10		
Not Reported	0	0		33	0	0		
Total	28	100	100	100	20	100		

Sources: *Bank data; **2005 Aggregate CRA Data;***2006 D & B Business Data.

As illustrated in the Table 3, BB's performance to businesses earning \$1 million or less in gross annual revenues exceeds aggregate lending performance to these businesses. The bank originated 96 percent of its loans in 2006 to businesses earning \$1 million or less in gross annual revenues and has originated 90 percent of its YTD 2007 loans to businesses earning \$1 million or

less in gross annual revenues which exceeded D& B data in 2006. The revenue size analysis of loans by dollar volume (not shown in the table) yielded relatively similar findings. This performance exceeds both the 2006 D&B data and the 2005 aggregate lending data provided for comparison use.

An analysis of the actual gross annual incomes was also performed by examiners. This analysis revealed that the bank originated 22 percent of the number of loans in 2006 to businesses earning less than \$100 thousand, 33 percent went to businesses earning less than \$250 thousand, and 37 percent went to businesses earning less than \$500 thousand in gross annual revenues. The 2006 analysis further supports the borrower distribution analysis that the bank is making a majority of its loans (92 percent) to the smallest of businesses. Review of the 2007 gross annual revenue distribution revealed that the bank has originated 61 percent of loans to businesses earning less than \$500 thousand in gross annual revenues.

In addition to the analysis by revenue size, small business loans are also analyzed by loan size to evaluate the size of the businesses being served. Loan size is a proxy for the revenue size of businesses with revenues \$1 million or less. However, this factor is given much less weight in the overall borrower profile analysis than the gross annual revenue analysis discussed previously. Table 4 reflects the number distribution of BB's 2006 and YTD 2007 small business loans by loan size and includes comparative aggregate lending data for 2005.

Table 4 Distribution of Small Business Loans by Loan Size						
Loan Size (000s)	2006			YTD 2007		
	Bank Loans*		Aggregate Lending 2005	Bank Loans*		Aggregate Lending **
	#	%	% of #	#	%	% of #
\$0-\$100	19	68	95	16	80	Not Available
\$100 - \$250	6	21	3	3	15	
\$250 - \$500	2	7	2	1	5	
\$501 - \$1,000	1	4		0	0	
Total	28	100	100	20	100	

Sources: *Bank data; **2005 Aggregate CRA Data.

BB's distribution of small business loans by loan size, depicted in the table above, is considered reasonable. Concerns over the gap in the bank's performance as compared to 2005 aggregate lenders are mitigated by a more in-depth analysis of the aggregate lending data. Aggregate data is significantly skewed by the substantial presence of national commercial credit card banks in the bank's assessment area. Credit card lending is characterized by smaller dollar amounts and a higher volume of originations than other conventional types of small business loans. According to 2005 aggregate lending data, five of the top small business lenders in the market (by number of loans) are large national credit card banks whose loans make up 53 percent of the total number of small business loans originated or purchased in the assessment area. Reflecting a product base of numerous small credit card lines, the average loan size for these lenders ranges from \$5 thousand to \$9 thousand. Adjusting the aggregate data by eliminating the small loans reduces

the aggregate lenders percentages in the smallest categories to 41 percent, which in turn is less than the bank's performance.

The loan size analysis is given very little weight in the overall analysis of borrower distribution. With much greater weight placed on the revenue distribution of loans described earlier, BB's performance reflects a reasonable penetration of business customers of different sizes.

Geographic Distribution

The overall geographic distribution of loans reflects a reasonable distribution of loans throughout the assessment area given the bank's location, product offerings, and lending staff size. No unexplained lending gaps were identified.

Small Business Loans

The geographic distribution of small business loans reflects a reasonable distribution throughout the assessment area. Table 5 provides the geographic distribution of the bank's small business loans, by number of loans, originated within the assessment area for the calendar years 2006 and YTD 2007. The geographic distribution of the total number of businesses for 2006 in the assessment area and the aggregate lending distribution for 2005 are shown for comparison purposes.

Table 5 Geographic Distribution of Small Business Loans								
Tract Income Level	2006				YTD 2007			
	Bank Loans*		Aggregate Lending Data **	Businesses **	Bank Loans*		Aggregate Lending Data **	Businesses **
	#	%	% of #	% of #	#	%	% of #	% of #
Low	0	0	2	4	0	0	Not Available	Not Available
Moderate	1	3	14	14	3	15		
Middle	17	61	54	50	9	45		
Upper	10	36	30	32	8	40		
NA	0	0	nominal	Nominal	0	0		
Total	28	100	100	100	20	100		

Sources: *bank data; *** 2006 D & B Business Data. **2005 aggregate lending Data

As illustrated above, BB's geographic distribution of small business loans among low- and moderate-income census tracts in 2006 (0 and 3 percent, respectively) is less than both the 2005 aggregate lending distribution (4 and 14 percent, respectively) and the 2006 percentage of businesses (4 and 14 percent, respectively) in these two census tract income categories.

Performance in 2007 improves in lending in moderate-income census tracts but still shows no lending in low-income census tracts. While the above distribution is less than both aggregate and D&B data a review of the geographic area reveals that the low-income census tracts are in the Brigham Young University and that the moderate-income tracts are primarily university housing for students. The fact that there is little loan activity in these areas is understandable

given the bank's primary lending product. The distribution by dollar volume, not presented in the table, yielded relatively similar findings.

Assessment Area Concentration

A substantial majority of BB's small business and home mortgage loans are in the institution's assessment area. Table 7 shows the number and dollar volume of lending of the bank's inside and outside its assessment area, in the Provo-Orem MSA during 2006 and YTD 2007 for small businesses. Specifically the table illustrates that 96 percent by number and dollar volume of the bank's loans originated in 2006 and YTD 2007 are located in the bank's designated assessment area.

Table 6 Distribution of Loans Inside and Outside of the Assessment Area										
Loan Category	Number of Loans					Dollar Volume of Loans (000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Small Business*										
2006	28	97	1	3	29	3,071	97	90	3	3,161
YTD 2007	20	95	1	5	21	1,541	94	100	6	1,641
Total Loans Analyzed	48	96	2	4	50	4,612	96	190	4	4,802

Sources: *Bank's loan data.

Response to Complaints

BB has not received any complaints relating to its CRA performance.

Compliance with Anti-Discrimination Laws and Regulations

No substantive violations were identified with regard to the provisions of antidiscrimination legislation, including the Equal Credit Opportunity and Fair Housing Acts.

APPENDIX - GENERAL DEFINITIONS

GEOGRAPHY TERMS

Census Tract: Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Metropolitan Area (MA): One or more large population centers and adjacent communities that have a high degree of economic and social integration. Each MA must contain either a place with a minimum population of 50,000 of Census Bureau-defined urbanized area and a total MA population of at least 100,000 (75,000 in New England). An MA comprises one or more central counties and may include one or more outlying counties that have close economic and social relationships with the central county.

Metropolitan Statistical Area (MSA): One or more metropolitan areas that have economic and social ties.

Primary Metropolitan Statistical Area (PMSA): A large urbanized county or cluster of counties that demonstrate very strong economic and social links, in addition to close ties to other portions of the larger area. If an area qualifies as an MA and has more than one million persons, PMSAs may be defined within it.

Consolidated Metropolitan Statistical Area (CMSA): The larger area of which PMSAs are component parts.

Non-Metropolitan Area: All areas outside of metropolitan areas. The definition of non-metropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies; for example, there is generally both urban and rural territory within both metropolitan and non-metropolitan areas.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in: places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin) but excluding the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

Rural Area: Territories, populations and housing units that are not classified as urban.

HOUSING TERMS

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family which is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

INCOME TERMS

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide non-metropolitan median family income, if a person or geography is located outside an MSA.

Family Income: Includes the income of all members of a family that are age 15 and older.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households consist of only one person, median household income is usually less than median family income.

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Upper-Income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent in the case of a geography.

HUD Adjusted Income Data: The U.S. Department of Housing and Urban Development (HUD) issues annual estimates which update median family income from the metropolitan and non-metropolitan areas. HUD starts with the most recent U.S. Census data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

OTHER TERMS

Home Mortgage Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement, and temporary-to-permanent construction loans.

Small Business Loan: A loan included in “loans to small businesses” as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.